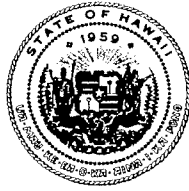


LINDA LINGLE
GOVERNOR

DIRECTOR'S OFFICE
DEPT. OF
TRANSPORTATION

2008 JUL 28 P 1:15



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
AIRPORTS DIVISION
400 Rodgers Boulevard, Suite 700
Honolulu, Hawaii 96819-1880


BRENNON MORIOKA
DIRECTOR

Deputy Directors
MICHAEL D. FORMBY
FRANCIS PAUL KEENO
BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

AIR-PM
08.0500

July 23, 2008

TO: (1) DIR (BRENNON T. MORIOKA) 
(2) DLNR (LAURA H. THIELEN) C/O ADALINE CUMMINGS
(3) AIR-PM (ROSS SMITH)

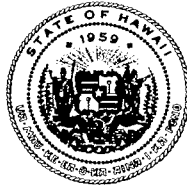
FROM: DEP-A (BRIAN H. SEKIGUCHI) 

SUBJECT: LAND BOARD SUBMITTAL
ISSUANCE OF FIVE DIRECT LEASES
NEW CARGO BUILDING
KAHULUI AIRPORT

Attached is the subject submittal for your approval. Please place on the next Land Board agenda.

If there are any questions, please call Lorna Heindl at 838-8671.

Attachments



**STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097**

Deputy Directors
MICHAEL D. FORMBY
FRANCIS PAUL KEENO
BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

**ISSUANCE OF DIRECT LEASES - NEW CARGO BUILDING
KAHULUI AIRPORT**

MAUI

REQUEST:

Issuance of a direct lease to five companies for space in the newly constructed cargo building at Kahului Airport to conduct commercial cargo operations.

LEGAL REFERENCE:

Subsection 171-59(b), Hawaii Revised Statutes, as amended.

LESSEES:

Aeko Kula, Inc. dba Aloha Air Cargo
Aloha Contract Services, LLC
Hawaiian Airlines, Inc.
Trans Executive Airlines of Hawaii, Inc.
United Airlines, Inc.

LOCATION AND TAX MAP KEY:

Situated at Kahului Airport, Island of Maui, identified by Tax Map Key:
2nd Division, 3-8-01

AREA:

Aeko Kula, Inc.
Space No. 233-112 containing 14,296 square feet of marshalling area.
Space No. 233-111 containing 750 square feet of loft office area.

Aloha Contract Services LLC

Space No. 233-106 containing 1,784 square feet of marshalling area.

Space No. 233-105 containing 1,238 square feet of loft office area.

Hawaiian Airlines, Inc.

Space No. 233-103 containing 7,015 square feet of marshalling area.

Space No. 233-104 containing 547 square feet of loft office area.

Trans Executive Airlines of Hawaii, Inc.

Space No. 233-108 containing 997 square feet of marshalling area.

Space No. 233-107 containing 2,015 square feet of loft office area.

United Airlines, Inc.

Space No. 233-110 containing 2,969 square feet of marshalling area.

Space No. 233-109 containing 3,066 square feet of loft office area.

ZONING:

State Land Use District:	Urban
County of Maui:	Airport

LAND TITLE STATUS:

Section 5(a) of the Hawaii Admission act – Non-ceded

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES ☐ NO ☒

CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

1. Finish loft office space in newly built cargo building; and
2. Conduct commercial cargo operation activities.

TERM OF LEASE:

Five (5) years

LEASE COMMENCEMENT DATE:

To be determined by the Director of Transportation at a later date

ANNUAL LEASE RENTAL:

<u>Aeko Kula, Inc.</u>	<u>- \$58,665.60</u>
<u>Aloha Contract Services LLC</u>	<u>- \$18,307.20</u>
<u>Hawaiian Airlines, Inc.</u>	<u>- \$30,505.20</u>
<u>Trans Executive Airlines of Hawaii, Inc.</u>	<u>- \$22,933.20</u>
<u>United Airlines, Inc.</u>	<u>- \$41,202.00</u>

The annual rental is based on \$3.60 per square foot per annum for the marshalling area and \$9.60 per square foot per annum for the loft office space.

PERFORMANCE BOND:

Sum equal to one half of the annual lease rental.

PROPERTY CHARACTERISTICS:

Utilities:	All utility connections are available at the site.
Improvements:	All tenants will be required to finish the loft office space to their specifications to operate their cargo operations.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation dated May 22, 2001, as approved by the Environmental Quality Council on November 15, 2000. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

REMARKS:

In accordance with Section 171-59(b), HRS, relating generally to Management and Disposition of Public Lands and specifically to Disposition by negotiation, the Department of Transportation proposes to issue direct leases for the purpose of operating and maintaining office and marshalling space at the new Kahului cargo facility to the five companies mentioned above.

RECOMMENDATION:

That the Board authorize the Department of Transportation to issue direct leases to the five companies named above subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the lease form and content.

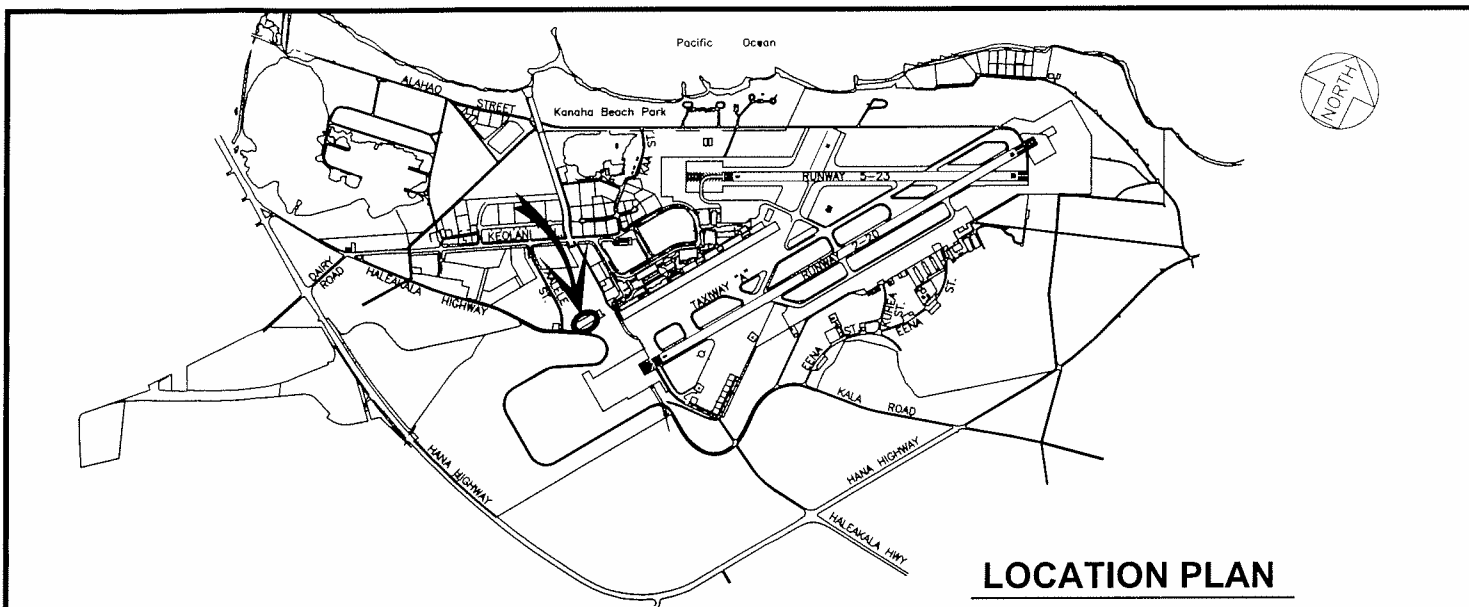
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. Morioka', with a stylized flourish at the end.

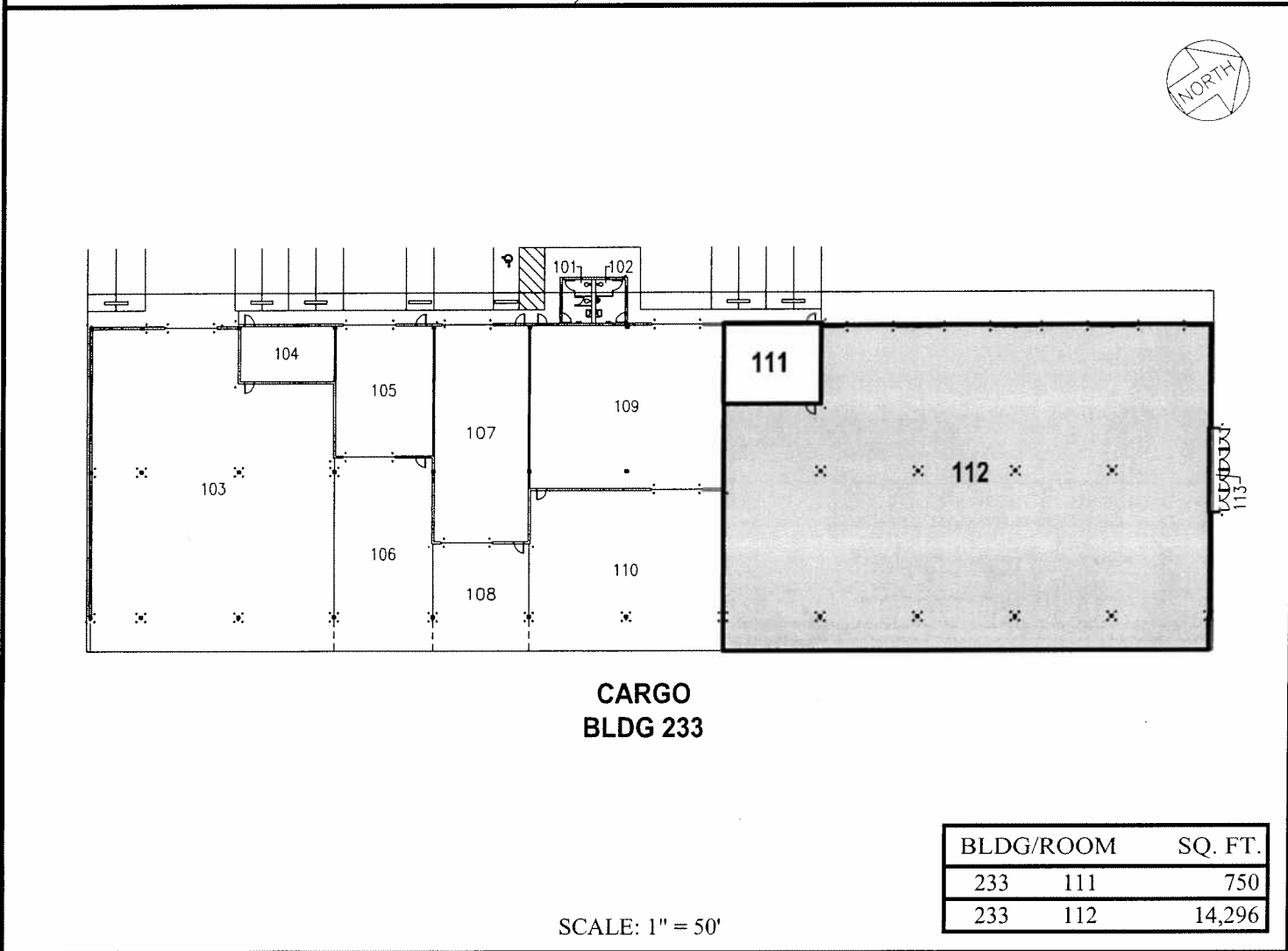
BRENNON T. MORIOKA, Ph.D., P.E.
Director of Transportation


APPROVED FOR SUBMITTAL:

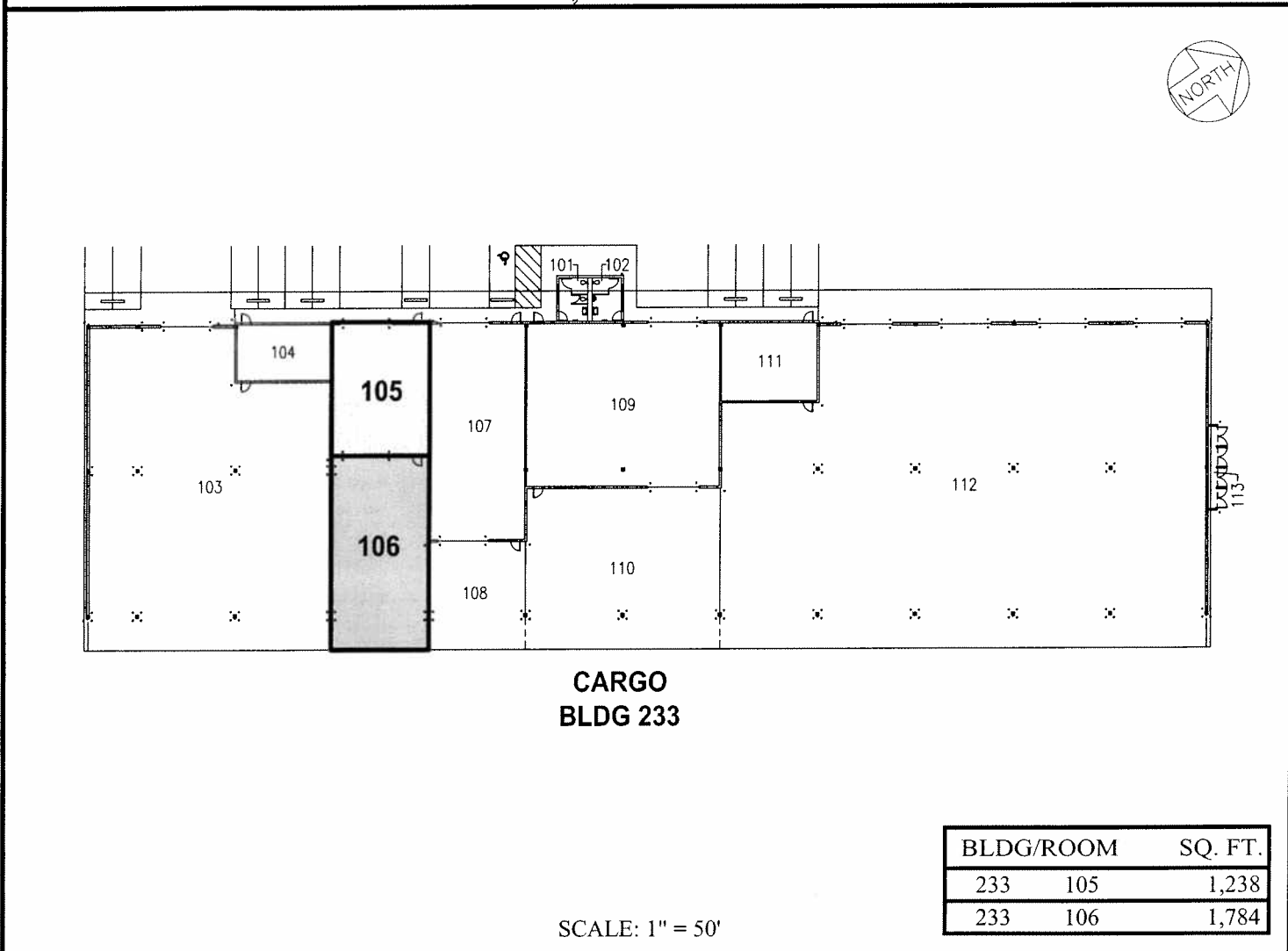
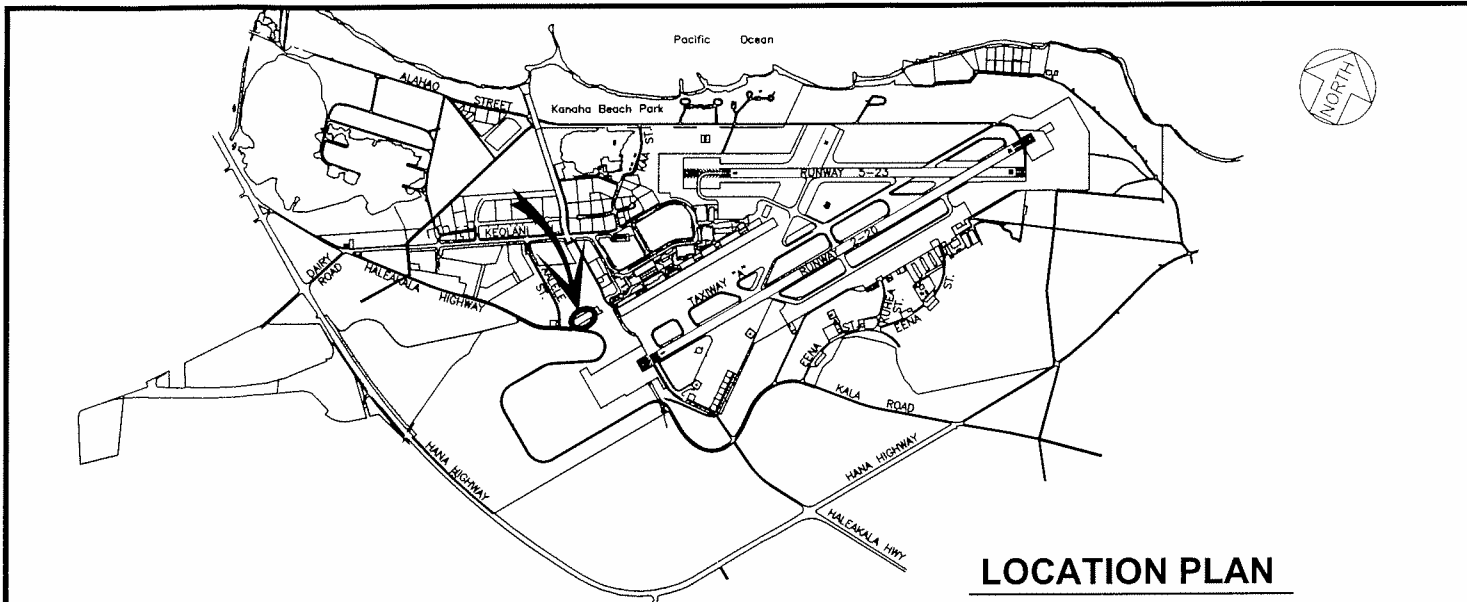
LAURA H. THIELEN
Chairperson and Member



LOCATION PLAN



DATE : JULY 2008		EXHIBIT: B	
 Airports Division	AEKO KULA, INC.	BUILDING 233 CARGO GROUND LEVEL	233111 233112 PLAT 45



DATE : JULY 2008

EXHIBIT: **B**



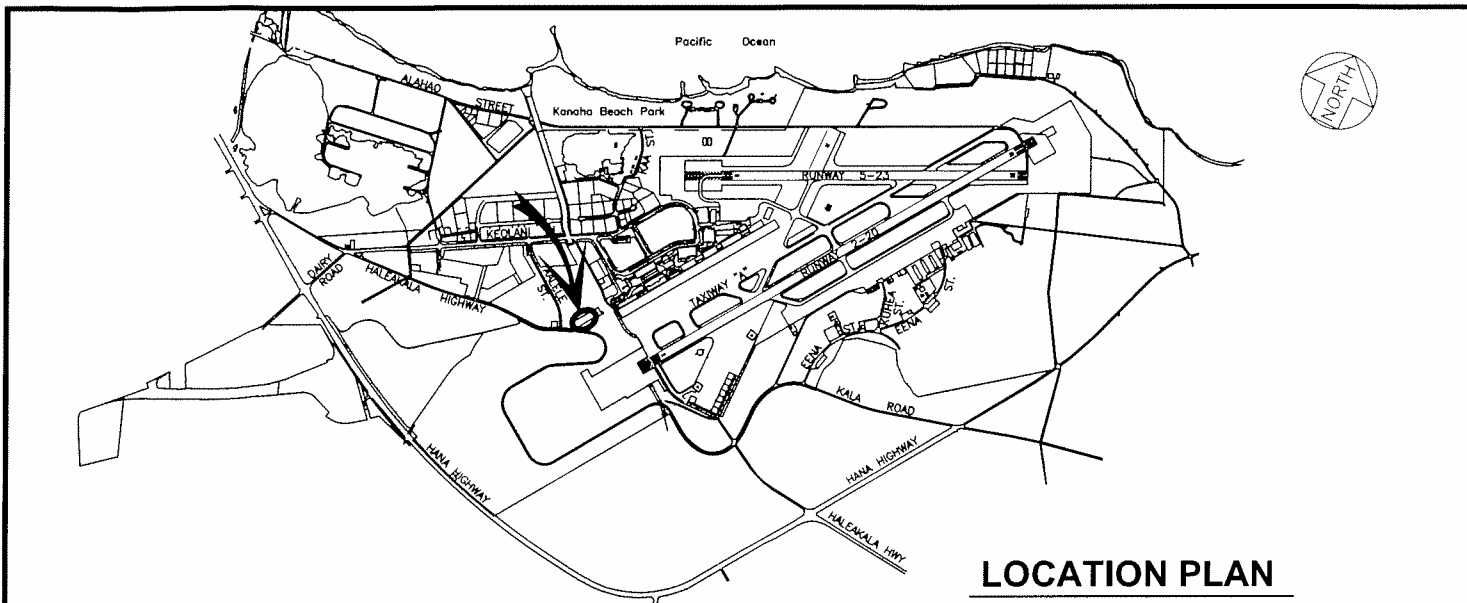
ALOHA CONTRACT
SERVICES, LLC

BUILDING 233
CARGO
GROUND LEVEL

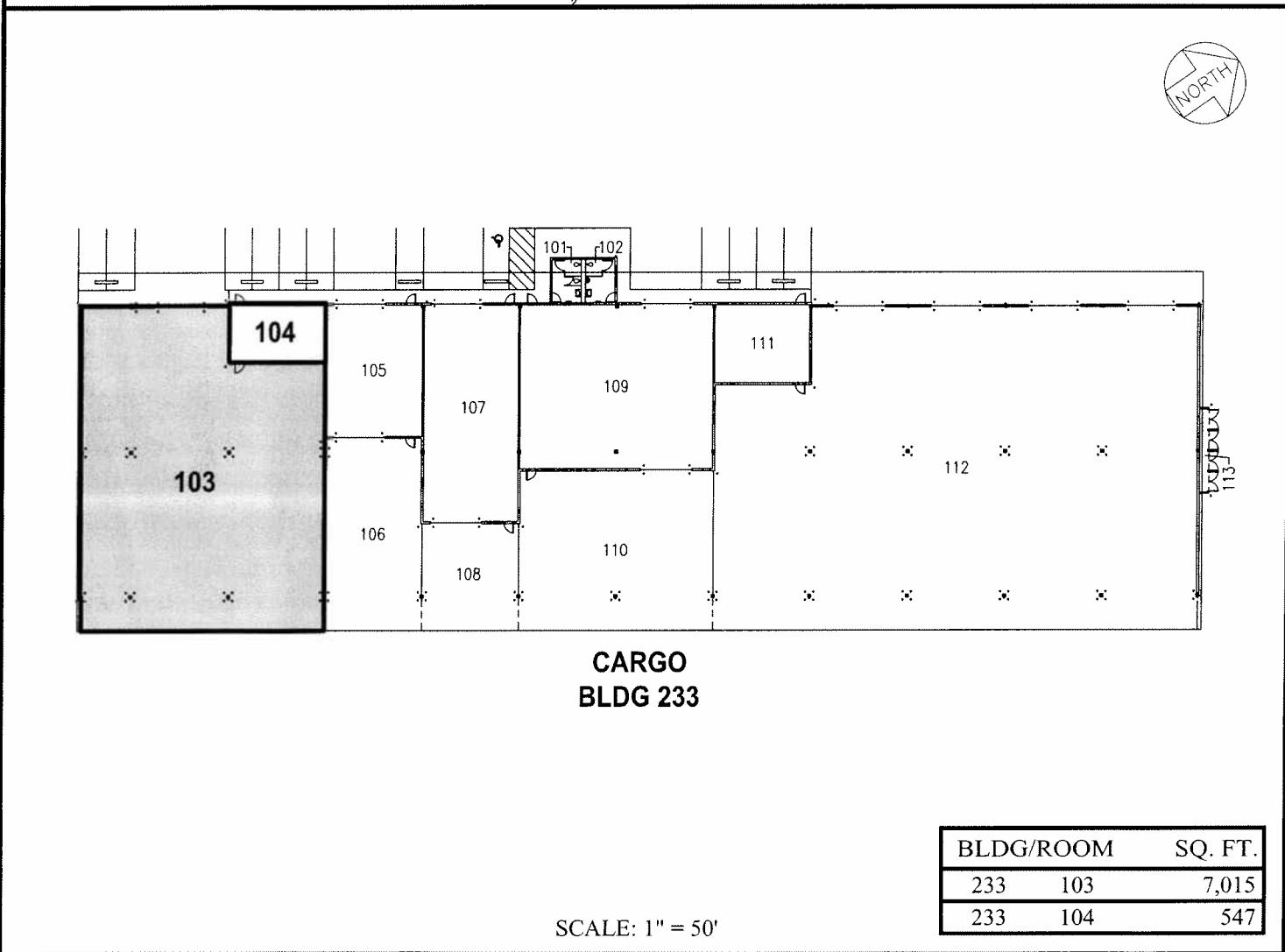
233105
233106
PLAT 45

KAHULUI AIRPORT

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LOCATION PLAN



**CARGO
BLDG 233**

SCALE: 1" = 50'

DATE : JULY 2008

EXHIBIT: **B**

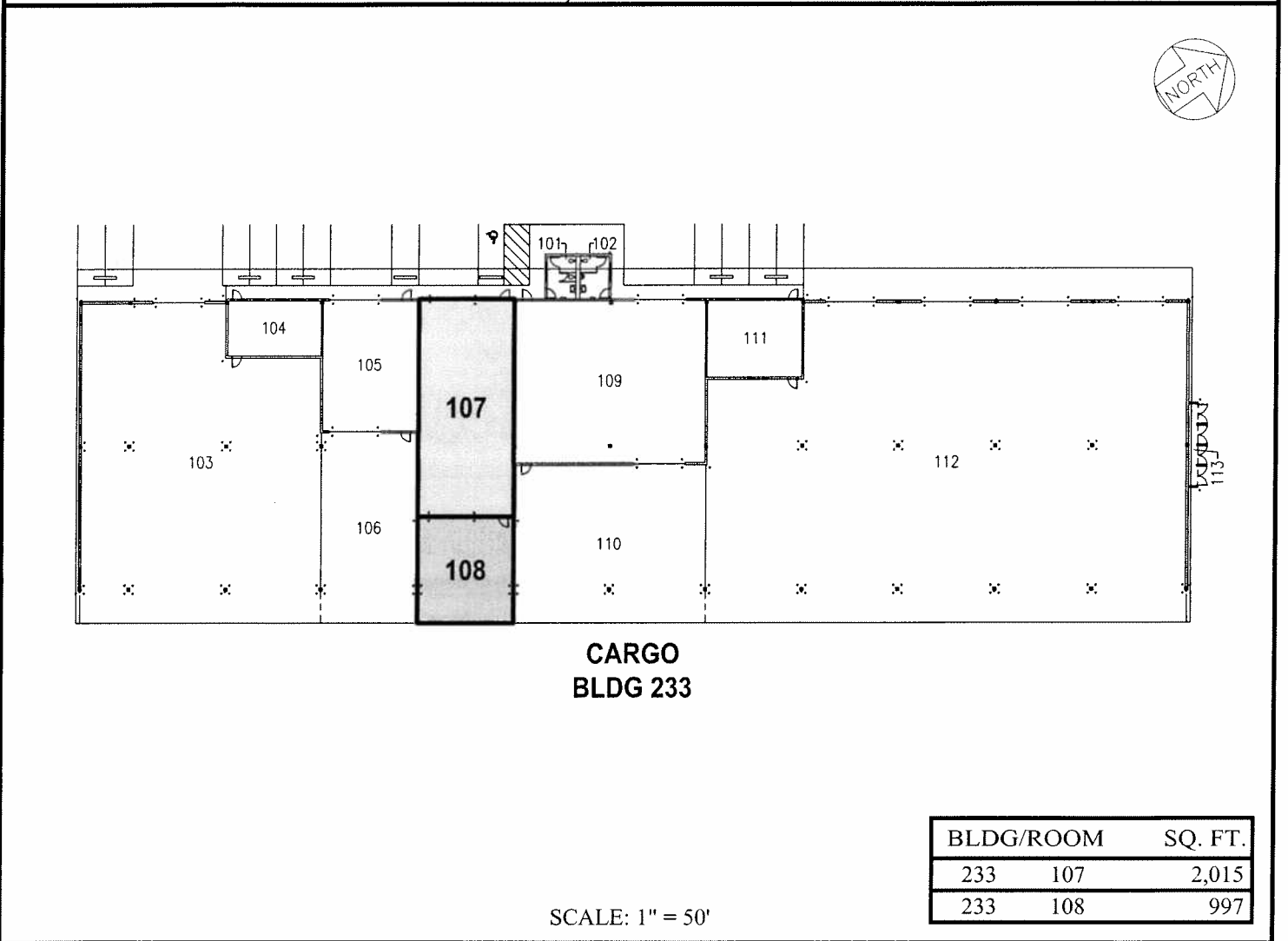
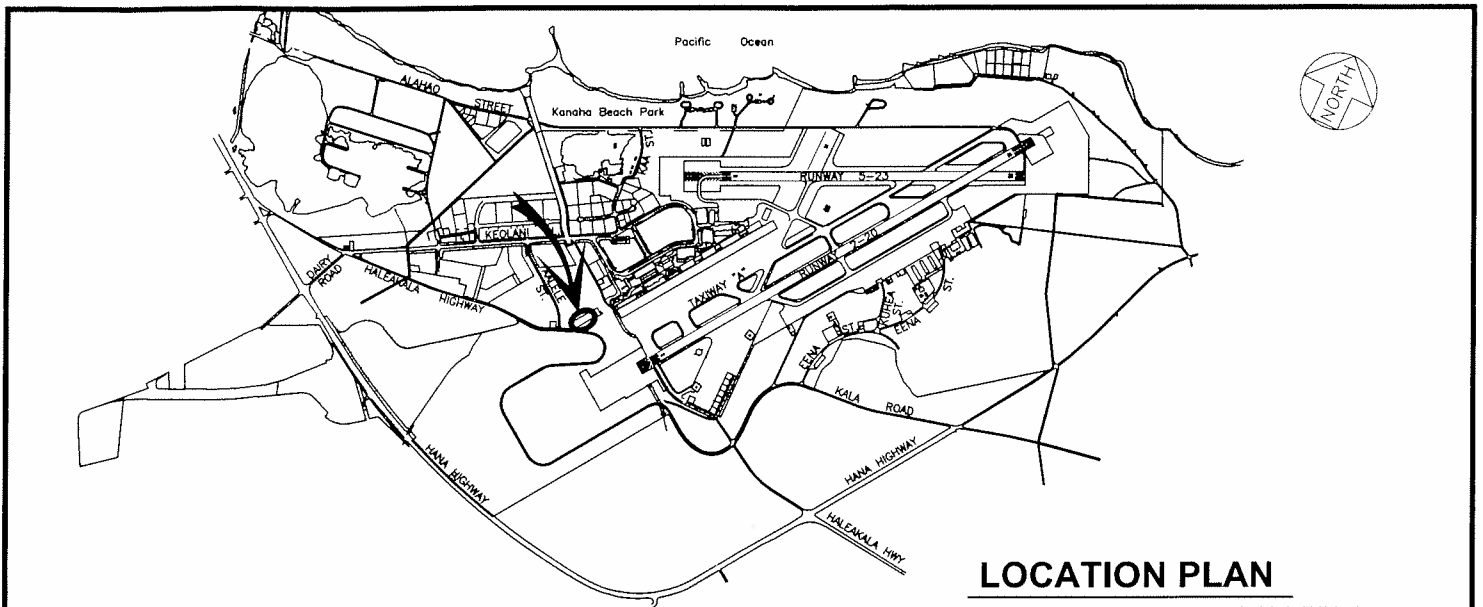


Airports Division

HAWAIIAN AIRLINES, INC.

BUILDING 233
CARGO
GROUND LEVEL

233103
233104
PLAT 45



DATE : JULY 2008

EXHIBIT: **B**



Airports Division

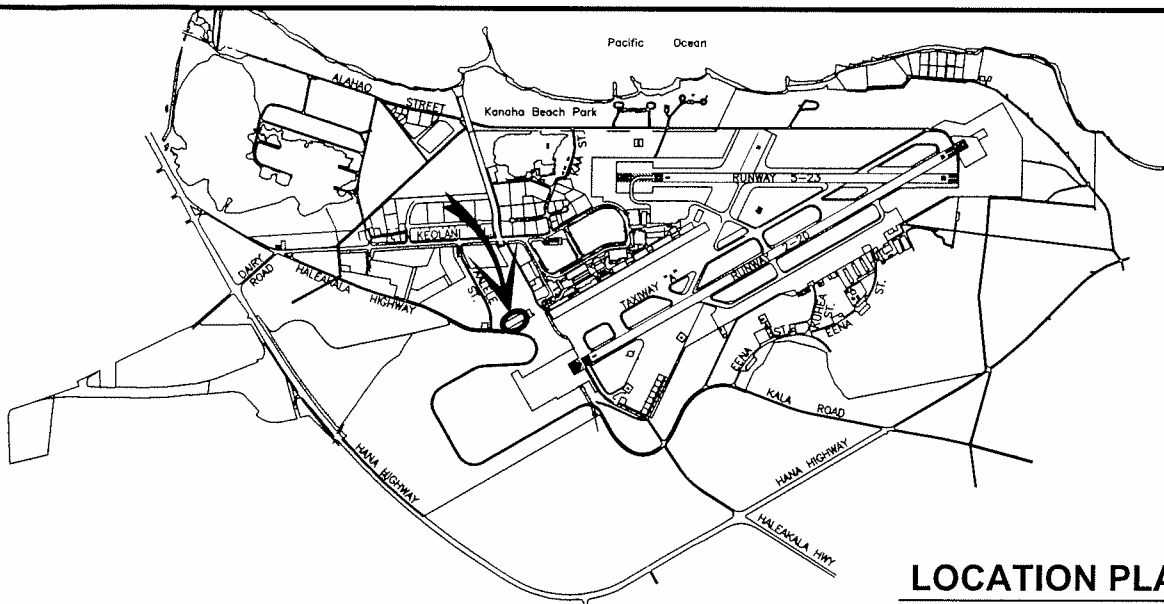
TRANS EXECUTIVE
AIRLINES OF HAWAII, INC.

BUILDING 233
CARGO
GROUND LEVEL

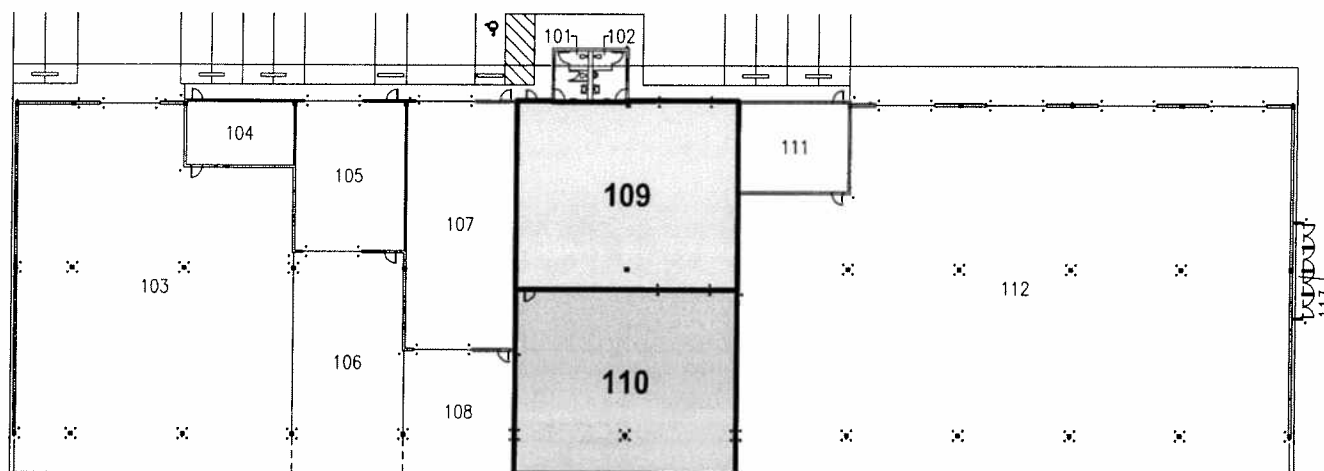
233107
233108
PLAT 45

KAHULUI AIRPORT

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LOCATION PLAN



**CARGO
BLDG 233**

SCALE: 1" = 50'

BLDG/ROOM		SQ. FT.
233	109	3,066
233	110	2,969

DATE : JULY 2008

EXHIBIT: **B**



Airports Division

UNITED AIRLINES, INC.

BUILDING 233
CARGO
GROUND LEVEL

233109
233110
PLAT 45

KAHULUI AIRPORT

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